

Collective corruption

Definition

Collective corruption, defined as coordinated wrongdoing that organizational members carry out on behalf of the organization, is an especially sub-category of wrongdoing. The concept of corruption reflects as infection of the group, organization or industry. Collective corruption is typically regarded as a top-down process whereby leaders directly encourage their subordinates to engage in wrongdoing. The identified reasons for subordinates compliance entail a lack of awareness of doing wrong, mindlessness, habituation and incentives. For example, reward structures may both incentivize and legitimize corrupt behaviours. ¹

Examples of collective corruption

In China a common form of rationalized collective corruption is setting up of "small treasuries", is found in many large private and state-owned Chinese enterprises. "Small treasuries" are off-book accounts being set up for the purpose of financing private or even illegitimate expenditure of work units. There are plenty of reported cases of off-book accounts, involving billions of dollars. ²

The intense focus on corporate corruption started by Enron and WorldCom has continued with discoveries of fraud in other organizations such as Tyco, HealthSouth and Parmalat. A notable feature of these and many other corruption cases is that they did not result from the actions of single individuals. Employees may collectively use rationalizations to neutralize any regrets or negative feelings that emanate from their participation in unethical acts. ³

Anti-corruption work of Finnish Ministry for Foreign affairs

The more we address governance and anti-corruption issues in all Finnish publically-funded development programmes, the less we are confronted by corruption. What can we do to prevent corruption? ⁴

Korruption vastainen työ

<http://formin.finland.fi/public/default.aspx?contentId=204889&nodeId=43749&contentlan=1&culture=fi-FI>

Tansaniassa korruptiota seurataan verkossa

<http://formin.finland.fi/public/default.aspx?contentId=165665&nodeId=15145&contentlan=1&culture=fi-FI>

Handbook to increase effectiveness of anti-corruption efforts

<http://formin.finland.fi/public/default.aspx?contentId=256778&nodeId=23&contentlan=2&culture=en-US>

Paras keino korruption kitkemiseksi on kehitys

<http://formin.finland.fi/public/default.aspx?contentId=265230&nodeId=23&contentlan=1&culture=fi-FI>



Picture: Zambia – toll free number for reporting of corruption, Source: DLP – Developmental Leadership Programm

References

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2. Hung H. Normalized collective corruption in a transitional economy: Small treasuries in large chinese enterprises. *J Bus Ethics*. 2008;79(1-2):69-83.
3. Anand V, Ashforth BE, Joshi M. Business as usual: The acceptance and perpetuation of corruption in organizations. *The Academy of Management Executive*. 2004;18(2):39-53.
4. Ministry for Foreign Affairs of Finland.
<http://formin.finland.fi/public/default.aspx?nodeid=43749&contentlan=1&culture=fi-FI>. Updated 2014.
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